

Standing Appropriations Bill House File 2700

Last Action:

House Floor

April 25, 2008

An Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing and reducing appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, and providing for properly related matters, and including effective and retroactive applicability date provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2700
STANDING APPROPRIATIONS BILL**

HOUSE FLOOR ACTION

Significant changes made during House Floor debate:

- Added a General Fund appropriation of \$1.0 million for Independent Redemption Center Grants. (H-8678)
 - Added a General Fund appropriation for the amount equal to the portion of the actuarial cost of the eligible service credit will be made to the Peace Officers Retirement Fund (POR) to offset the impact of the permissive service credit. This cost is estimated at \$200,000. (H-8686)
 - Removed provisions related to expiration of gift certificates. The changes in the Bill would have resulted in additional General Fund revenue of \$3.0 million for unclaimed property. Since this language was removed by amendment, the additional revenue will not be realized. (H-8695)
 - Added language that provides that if a school district determines that costs exceed revenues for services provided for the Home School Assistance Program, that the school district may apply to the School Budget Review Committee for modified allowable growth to fund the difference. Requires school districts to furnish a report to the Department of Education regarding the Home School Assistance Program. (H-8716)
 - Amended HF 2663 (State Sales/Use Tax for School Infrastructure Bill), if enacted, to require the calculation of sales tax capacity per student and Statewide revenues per student to be based on the amount of revenues that would be received if the school infrastructure local option sales tax were still in place. (H-8694)
 - Removed language permitting persons that have had a commercial drivers license revoked or disqualified to seek a hearing to rescind the disqualification similar to the procedure for regular drivers licenses. (H-8672)
 - Removed and inserted statutory language regarding presence of certain persons on real property of a child care facility or child care home. (H-8712)
 - Added statutory language regarding replacement of hospitals and changing the membership of the Hospital Licensing Board. (H-8708)
 - Appropriates a total of \$119.8 million from the General Fund for FY 2009 for the affected budget units. Also appropriates \$169.7 million from other funds for FY 2009. In addition, the Bill makes General Fund appropriations for FY 2010 of \$70.9 million.
- NOTE: A full detailed NOBA of the House Appropriations Committee version of HF 2700 is available on the web at: http://www3.legis.state.ia.us/noba/data/82_HF2700_HFA.pdf*
- Page and line numbers below refer to the House Appropriations Committee version of SF 2700.*
- Appropriates \$69.9 million for Mental Health Allowed Growth for FY 2010. This is an increase of \$15.9 million compared to the FY 2009 appropriation in SF 2425 (FY 2009 Health and Human Services Appropriations Bill). (Page 1, Line 4)

**FUNDING SUMMARY OF THE BILL
AS APPROVED BY HOUSE
APPROPRIATIONS COMMITTEE**

**DIVISION I – MENTAL HEALTH
ALLOWED GROWTH**

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2700
STANDING APPROPRIATIONS BILL**

***DIVISION II – STANDING
APPROPRIATIONS AND RELATED
MATTERS***

BUDGET FORMAT

**GENERAL ASSEMBLY BUDGET
REDUCTION**

STANDING APPROPRIATION LIMITS

PROPERTY TAX CREDIT FUND

CASH RESERVE FUND

- Permits the Executive Branch to continue to use the budgeting-for-results process for FY 2010 in lieu of the information currently required by statute. (Page 1, Line 22)
- Reduces the standing unlimited appropriation to the General Assembly by \$1.4 million for FY 2009. The total budget is reduced from \$38.2 million to \$36.8 million. (Page 2, Line 7)
- Limits the following FY 2009 General Fund standing appropriations to the amounts specified to maintain the current level of funding:
 - \$14.4 million to the Department of Education for Instructional Support. (Page 2, Line 20)
 - \$8.6 million to the Department of Education for Non-Public Transportation. (Page 2, Line 29)
 - \$55.5 million to the Department of Education for the Educational Excellence Program. (Page 3, Line 1)
 - \$2.7 million to the Department of Revenue for the Statewide Fire and Police Officer Retirement Fund. (Page 3, Line 4)
- Appropriates \$99.8 million from the FY 2008 General Fund ending surplus to the Property Tax Credit Fund. (Page 3, Line 9)
- Appropriates \$44.4 million from the General Fund to the Property Tax Credit Fund. (Page 3, Line 30)
- Transfers \$13.9 million of the surplus in the Salary Adjustment Fund to the Property Tax Credit Fund. (Page 3, Line 34)
- Appropriates funds from the Property Tax Credit Fund for FY 2009 for the following property tax credits and exemptions:
 - \$99.3 million for the Homestead Property Tax Credit. (Page 4, Line 19)
 - \$34.6 million for the Agricultural Land and Family Farm Tax Credit. (Page 4, Line 22)
 - \$2.8 million for the Military Service Tax Credit. (Page 4, Line 25)
 - \$23.2 million for the Elderly and Disabled Tax Credit. (Page 4, Line 28)
- Eliminates the requirement that an appropriation be made from the General Fund to the Cash Reserve Fund to maintain a maximum balance equal to 7.5% of the Revenue Estimating Conference estimate for FY 2009 as established in December 2007. (Page 5, Line 32)

**EXECUTIVE SUMMARY
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STANDING APPROPRIATIONS BILL**

REVENUE ESTIMATE

- Provides that the revenue estimate of April 4, 2008, is to be used to determine the expenditure limitation for FY 2009, rather than the December 11, 2007, estimate. (Page 6, Line 1)

FISCAL IMPACT: This permits an additional \$48.6 million to be appropriated for FY 2009.

AREA EDUCATION AGENCIES

- Reduces the State aid allocation for Area Education Agencies (AEAs) by \$2.5 million for FY 2009. This is in addition to the \$7.5 million reduction in current law, making the total reduction \$10.0 million for FY 2009. This reduction is \$2.8 million less than the FY 2008 reduction. (Page 6, Line 18)

**DIVISION III – SALARIES,
COMPENSATION, AND RELATED
MATTERS**

Makes the following salary and compensation provisions:

- Provides salary increases for justices, judges, and magistrates. (Page 7, Line 11)
- Increases the salary ranges for State officers by 3.0%. (Page 10, Line 9 through Page 12, Line 14)
- Appropriates \$88.1 million from the General Fund for the Salary Adjustment Fund and allocates \$7.6 million for the Judicial Branch. (Page 12, Line 15)
- Appropriates \$1.5 million from the Road Use Tax Fund and \$8.3 million from the Primary Road Fund to the Salary Adjustment Fund. (Page 15, Line 25)
- Provides supplemental expenditure authorization for revolving trust funds, or other special funds, except the Road Use Tax Fund and the Primary Road Fund, to be used to fund salary adjustments. (Page 15, Line 33)
- Permits sworn peace officers in the Department of Public Safety, not covered by a collective bargaining agreement, to receive the same per diem meal allowance as covered sworn peace officers. (Page 16, Line 35)
- Makes a variety of statutory changes. Most of these changes result from legislation introduced during the 2008 Legislative Session that received approval in either the House or Senate. For a specific list, review the Code cites listing. (Page 17, Line 31 through Page 41, Line 27)

Statutory changes affecting appropriations include:

- Establishes a General Fund standing appropriation of \$1.0 million for the World Prize beginning in FY 2010. (Page 17, Line 31)
- Provides a General Fund appropriation of \$160,000 for FY 2009 to the Board of Regents for the Real Estate Education Program at the University of Northern Iowa. (Page 39, Line 33)

**DIVISION III – SALARIES,
COMPENSATION, AND RELATED
MATTERS (CONTINUED)
DIVISION IV – MISCELLANEOUS
STATUTORY CHANGES AND
APPROPRIATIONS**

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2700
STANDING APPROPRIATIONS BILL**

***DIVISION V – STATE AID FOR
SCHOOLS – ENROLLMENT***

- Reduces the weight generated by resident students receiving competent private instruction from licensed staff provided by the public school district from 0.6 to 0.3. Requires school districts to provide the same amount of funding for home school assistance programs in FY 2009 as in FY 2008, unless the enrollment in the program decreased. Requires school districts that offered home school assistance program in FY 2008 to continue to offer the program in future years. (Page 41, Line 30)

DETAIL: The weighting reduction will reduce school district budget enrollments statewide by 1,446 for FY 2009.

FISCAL IMPACT: The estimated FY 2009 impact will be a reduction in State aid to local school districts of approximately \$7,300,000.

APPROPRIATION

- Makes an FY 2009 General Fund appropriation of \$146,000 for a one-time distribution to school districts that have expenditures associated with the home school assistance program. (Page 42, Line 10)
- Makes statutory changes related to campaign finance. (Page 42, Line 28 through Page 45, Line 27))
- Makes a variety of statutory corrective provisions. (Page 45, Line 30 through Page 53, Line 26)

***DIVISION VI – CAMPAIGN FINANCE
DIVISION VII – CORRECTIVE
PROVISIONS***

Summary Data

General Fund

	House Action FY 2009	House Action FY 2010
	(1)	(2)
Agriculture and Natural Resources	\$ 1,000,000	\$ 0
Economic Development	0	1,000,000
Education	306,000	0
Health and Human Services	0	69,949,069
Unassigned Standing	119,667,877	0
Grand Total	\$ 120,973,877	\$ 70,949,069

Agriculture and Natural Resources

General Fund

	House Action FY 2009 (1)	House Action FY 2010 (2)
<u>Natural Resources, Department of</u>		
Natural Resources		
Redemption Center Fund	\$ 1,000,000	\$ 0
Total Natural Resources, Department of	\$ 1,000,000	\$ 0
Total Agriculture and Natural Resources	\$ 1,000,000	\$ 0

Economic Development General Fund

	House Action FY 2009 (1)	House Action FY 2010 (2)
<u>Economic Development, Dept. of</u>		
Economic Development, Department of World Food Prize	\$ 0	\$ 1,000,000
Total Economic Development, Dept. of	\$ 0	\$ 1,000,000
Total Economic Development	\$ 0	\$ 1,000,000

Education General Fund

	House Action FY 2009 (1)	House Action FY 2010 (2)
<u>Education, Department of</u>		
Education, Department of		
Private Instruction	\$ 146,000	\$ 0
Total Education, Department of	\$ 146,000	\$ 0
<u>Regents, Board of</u>		
Regents, Board of		
UNI - Real Estate Program	\$ 160,000	\$ 0
Total Regents, Board of	\$ 160,000	\$ 0
Total Education	\$ 306,000	\$ 0

Health and Human Services General Fund

	House Action FY 2009 (1)	House Action FY 2010 (2)
<u>Human Services, Department of</u>		
Human Services - Assistance		
MH/DD Growth Factor	\$ 0	\$ 69,949,069
Total Human Services, Department of	\$ 0	\$ 69,949,069
Total Health and Human Services	\$ 0	\$ 69,949,069

Unassigned Standing General Fund

	House Action FY 2009 (1)	House Action FY 2010 (2)
<u>Education, Department of</u>		
Education, Department of		
AEA State Aid Reduction	\$ -2,500,000	\$ 0
Assistance for Private Instruction	-7,300,000	0
Instructional Support Cap	-369,956	0
Teacher Excellence Cap	-1,422,283	0
Total Education, Department of	\$ -11,592,239	\$ 0
<u>Management, Department of</u>		
Management, Department of		
Salary Adjustment Fund	\$ 88,100,000	\$ 0
Property Tax Credit Fund	44,400,000	0
Total Management, Department of	\$ 132,500,000	\$ 0
<u>Legislative Branch</u>		
General Assembly Reduction	\$ -1,439,884	\$ 0
Total Legislative Branch	\$ -1,439,884	\$ 0
<u>Public Safety, Department of</u>		
Public Safety, Department of		
Peace Officer Retirement	\$ 200,000	\$ 0
Total Public Safety, Department of	\$ 200,000	\$ 0
Total Unassigned Standing	\$ 119,667,877	\$ 0

Summary Data

Other Funds

	House Action FY 2009	House Action FY 2010
	(1)	(2)
Unassigned Standing	\$ 169,690,563	\$ 0
Grand Total	\$ 169,690,563	\$ 0

Unassigned Standing Other Funds

	House Action FY 2009	House Action FY 2010
	(1)	(2)
<u>Management, Department of</u>		
Management, Department of		
Primary Road Salary Adjustment	\$ 8,335,688	\$ 0
Road Use Tax Salary Adjustment	1,485,911	0
Total Management, Department of	\$ 9,821,599	\$ 0
<u>Revenue, Dept. of</u>		
Revenue, Department of		
Homestead Property Tax Credit - PTCF	\$ 99,254,781	\$ 0
Ag. Land/Family Farm Tax Credits-PTCF	34,610,183	0
Military Service Tax Credit - PTCF	2,800,000	0
Elderly & Disabled Tax Credit-PTCF	23,204,000	0
Total Revenue, Dept. of	\$ 159,868,964	\$ 0
Total Unassigned Standing	\$ 169,690,563	\$ 0